

PATENT
Customer No. 22,852
Attorney Docket No. 06556.0052
Reexamination Control No. 90/006,728

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Reexamination of:)	
)	
U.S. Patent No. 5,946,669)	Group Art Unit: 3624
)	
Issue Date: August 31, 1999)	Examiner: Stefano Karmis
)	
Reexam Control No. 90/006,728)	Confirmation No. 3043
)	
Inventor: John D. POLK)	
)	
Reexam Filed: July 29, 2003)	
)	
For: Method and Apparatus for Payment)	
Processing Using Debit-Based)	
Electronic Funds Transfer and)	
Disbursement Processing Using)	
Addendum-Based Electronic Data)	
Interchange)	

Assistant Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

SUPPLEMENTAL DECLARATION OF JOHN POLK UNDER 37 C.F.R. § 1.131

1. I, John Polk, am the inventor of the subject matter described and claimed in the above-referenced patent, and I executed a Declaration to that effect on September 29, 1997.

2. It is my understanding that in a Final Office Action mailed on August 1, 2005, in the above-identified reexamination proceeding, the Patent Office applied U.S. Patent No. 6,070,150 ("the '150 patent"), in combination with at least one other reference, to reject the claims of the above-referenced patent for obviousness. To the best of my knowledge and belief, the '150 patent issued from U.S. Patent Application No. 08/734,518, filed on October 18, 1996, by Darren B. Remington and Warren T. Dent

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for an "Electronic Bill Presentment and Payment System." The earliest effective filing date of the '150 patent is its filing date of October 18, 1996.

3. I executed a Declaration under 37 C.F.R. § 1.131 on July 6, 2005, including Exhibits 1-68, setting forth a conception of the claimed invention coupled with due diligence from a time just prior to October 18, 1996 to a constructive reduction to practice (namely, the filing of this patent application) on September 30, 1997.

4. It is my understanding that in the August 1, 2005 Final Office Action in the above-identified reexamination proceeding, the Patent Office contended that the Declaration I executed on July 6, 2005 was insufficient to remove the Remington patent as prior art to the above-referenced patent and that further information was necessary.

5. In particular, I understand that the Patent Office raised six issues or questions regarding conception and diligence from my July 6, 2005 Declaration, including two questions related to conception and four questions related to diligence.

6. The facts set out in the paragraphs below address each of the six questions raised by the Patent Office regarding my July 6, 2005 Declaration. Where I make reference to exhibits, I refer to exhibits 1-68 to my July 6, 2005 Declaration and to new exhibits 69-72, which are attached. These facts, when coupled with those set forth in my earlier Declaration, establish conception of the claimed invention coupled with diligence from a time just prior to October 18, 1996 (i.e., the earliest effective date of the '150 patent) until September 30, 1997 (i.e., the filing date of the patent application that resulted in the above-referenced patent).

Question 1

7. As for the first question on conception, I understand that the Patent Office contended that "there is no evidence to support the claim that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions." As an initial matter, I disagree, because I believe that my declaration is evidence, and my declaration stated that Formatted 521 records allow for debit and credit transactions.

8. As *further* evidence to support this statement, I submit a publication of the Accredited Standards Committee (ASC) X12, an organization created in 1979 to create and promulgate standards for electronic data interchange (EDI). The Government

Subcommittee of the ASC, also known as ASC X12G, released a Draft Technical Report, version 3, dated March 1, 1990, which is attached as Exhibit 69.

9. The Draft Technical Report of the ASC X12G "contains the format and establishes the data content of the Income or Asset Offset Transaction Set (521) for use within the context of and [sic, an] Electronic Data Interchange (EDI) environment." See Exhibit 69, p. 1. The "Income or Asset Offset Transaction Set (521) for use within the context of and [sic, an] Electronic Data Interchange (EDI) environment" in the Draft Technical Report of the ASC X12G is what I refer to as "Formatted 521 records."

10. The Draft Technical Report of the ASC X12G also contains a description of the format and symbols for Formatted 521 records. Id. at 1 and 3 & 4. In particular, the Draft Technical Report provides that Formatted 521 records include set tables and loops, including detailed descriptions of each segment in the set tables. Id.

11. For example, on page 3 of the Draft Technical Report of the ASC X12G, the Formatted 521 record (or 521 transaction set) is described as including a segment called "BPR - Beginning Segment for Payment Order/Remittance Advice." See Exhibit 69, p. 3. The BPR segment is described as including a data element called "BPR03," which is a "Credit/Debit Flag Code," i.e., a "[c]ode indicating whether the amount is a debit or credit." See Exhibit 69, p. 6. Thus, this code shows that the Formatted 521 records clearly indicate that debit and credit transactions may be used by this format. Accordingly, this draft technical report clearly demonstrates that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions.

12. Accordingly, at least for the reasons stated above, the Draft Technical Report of the ASC X12G, published March 1, 1990, clearly demonstrates that Formatted 521 records allow for debit and credit transactions, providing additional support for the statement in my previous declaration that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions.

Question 2

13. As for the second question on conception, I understand that the Patent Office contended that "there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state," referring to my July 6, 2005 Declaration.

Further, I understand that the Patent Office alleged that Exhibit 2 “appears to teach that information only flows from the state to the accumulator agency, and not vice-versa.”

As an initial matter, I disagree, because I believe that my declaration provides support that the accumulator agency transmits the disbursement to the state in Exhibit 2.

14. As *further* support that the accumulator agency transmits the disbursement to the state, I also direct the attention of the Patent Office to several points in my previous Declaration, namely: “[B]ased on Exhibits 1 and 2, I believe that one of ordinary skill in this field would understand Exhibits 1 and 2 to disclose at least the following features: (1) initiating by an accumulator agency a payment through a bank as a debit transaction and/or (2) transmitting by the accumulator agency the disbursement to a state as a first addendum transaction.” J. Polk July 6, 2005 Declaration, § 20. In the Office Action, the Patent Office disputes whether “there is ... support in Exhibit 2 that the accumulator agency transmits the disbursement to the state.” However, the Patent Office appears to ignore Exhibit 1.

15. For example, I provided the following explanation in my previous Declaration:

Exhibits 1 and 2 also describe transmitting by the accumulator agency the disbursement to a state as a first addendum transaction. As described above, the accumulator agency processes the disbursement information from the employer with the designated state (e.g., “the state” described in claims 1-48). As shown in Exhibit 1, the problem of multiple withholding orders from states involved “[s]tates send[ing] multiple wage withholding orders (garnishments) to employers that require the employer to adapt to the particular state(s) . . . [with] a paper-based process.” Thus, Exhibit 1 clearly depicts the transmission of wage assignments from employers to a designated state (i.e., the “state child support agency” depicted in Exhibit 1, and e.g., “the state” described in claims 1-70). As shown in Exhibit 2, the solution offered by the accumulator agency was to separate the wage assignment orders into two parts, the record (e.g., “the disbursement information” of claims 1-70) and the electronic payment (e.g., the “payment” of claims 1-70). As described in more detail above, the accumulator agency then “routes . . . electronic payment transactions” (i.e., processes payments to a bank). In this closed loop operation, the accumulator also processes the disbursement information with the

state designated in the wage assignment order. Thus, on review of Exhibits 1 and 2, one of ordinary skill in the art would readily understand both of these processes performed by the accumulator agency, specifically including transmitting by the accumulator agency the disbursement to a state as a first addendum transaction.

Id. at ¶ 19.¹ Strangely, despite this explanation, the Patent Office does not contend there is no support in Exhibits 1 and 2 that the accumulator agency transmits the disbursement to the state but, instead, contends that “there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state.” In my opinion, the Patent Office incorrectly ignores Exhibit 1 in its analysis of the conception of my claimed invention. Exhibit 1 and Exhibit 2 must be read together because they both contain the conception of my invention.

16. As stated in my previous declaration, I prepared Exhibits 1 and 2 at a hotel in Virginia where I was attending a conference on a date prior to October 18, 1996. As I have explained, I prepared both Exhibits 1 and 2 to depict aspects of my invention of an accumulator agency for electronically processing wage assignments with states for employers. Taken together, Exhibits 1 and 2 clearly show that information flows between the accumulator agency and states, as one skilled in the art would recognize. In the most basic terms, Exhibit 1 defines a problem, and Exhibit 2 defines the solution.

17. Exhibit 1, which is labeled as “The Problem Defined”, describes a problem that I identified by using two graphics: the first graphic shows how many states have many withholding orders that need to be delivered to a single employer (a concept I have named “many-to-one”), and the second graphic shows how employers have to process withholding orders with many states (a concept I have named “one-to-many”). Thus, I recognized a need for a solution of this many-to-one/one-to-many dilemma. This need is explained in the text on Exhibit 1 as “[s]tates send multiple wage withholding orders (garnishments) to employers” (i.e., many-to-one) and as “employer wants to

¹ In paragraphs 15 and 19 of that Declaration, through clerical or typographical error, I referred to the patent claims as “claims 1-70,” although I recognize that the patent claims are in fact claims 1-48. These minor errors in my July 6, 2005 Declaration do not change the substance of any of the statements that I made.

remit child support payments in one form to all states" (i.e., one-to-many). See Exhibit 1.

18. Exhibit 2 shows my solution to the problem of Exhibit 1. Notably, although Exhibit 2 only contains a single graphic, both the many-to-one concept and the one-to-many concept are described. Exhibit 2 specifically illustrates the many-to-one concept, showing many states sending withholding orders to the accumulator router function (i.e., the accumulator agency) and then processing those orders to each employer. Moreover, the text at the bottom of the chart specifically refers to the many-to-one concept: "[t]he accumulator router function permits ... [it] to receive wage withholding orders and route the records to designated employers." Exhibit 2 does not, however, specifically illustrate the one-to-many concept. But, the text at the bottom of the chart does, referring to "the receipt and routing of electronic payment transactions from employers." See Exhibit 2 (emphasis added). This quotation specifically refers to the one-to-many concept. That is, the accumulator/router function (i.e., the accumulator agency) receives the "electronic payment transactions" and then "routes" the "electronic payment transactions." Thus, as in Exhibit 1, these "electronic payment transactions" are received from the employers and then routed to the various states (i.e., the various state child support agencies) by the accumulator/router function (i.e., the accumulator agency). Thus, the "problem" in Exhibit 1, where the many-to-one and one-to-many concepts are depicted, is solved by the solution of Exhibit 2. And, just as Exhibit 1 shows that payments made by employers to states (i.e., employer payments shown being made to state child support agencies), Exhibit 2 depicts the same functions for the "electronic payment transactions," except Exhibit 2 shows these functions being performed by the accumulator/router function (i.e., the accumulator agency).

19. Thus, when Exhibits 1 and 2 are taken together, they clearly show that the accumulator agency solves the problem of the many-to-one/one-to-many dilemma, including transmitting disbursement information to a state.

20. Nonetheless, the Patent Office also incorrectly contends: "[Exhibit 2] appears to teach that information only flows from the state to the accumulator agency,

and not vice-versa.” But, Exhibit 1 shows a data flow to the state, and Exhibit 1 and Exhibit 2 must be read together, as they both contain the conception of my invention.

21. Furthermore, Exhibit 2 clearly states that the accumulator/router function (i.e., the accumulator agency) “receives” the “electronic payment transactions” and then “routes” the electronic payment transactions “from employers.” These electronic payment transactions are routed by the accumulator agency from the employers to the states via a bank. And, as explained above, a proper reading of *both* Exhibit 1 and Exhibit 2 together clearly demonstrates this fact.

22. To illustrate, I stated in my previous Declaration: “[T]he accumulator agency processes the disbursement information from the employer to the designated state (e.g., “the state” described in claims 1-48), and the accumulator agency also processes the payment information from the employer to a bank via ‘Formatted 521 Records.’” J. Polk July 6, 2005 Declaration, § 19. It seems that the Patent Office does not understand what was meant by “processing payment information from the employer to a bank via ‘Formatted 521 Records.’” To me, this means that the payment information is processed by the accumulator agency from the employer to a bank for a state via Formatted 521 records, but apparently, this fact was not sufficiently clear in my initial declaration. Accordingly, I provide a more detailed explanation here.

23. For example, I gave the following explanation in my previous Declaration:

Further, the textual description at the bottom of Exhibit 2 also explains that “[t]he combination of functions create a ‘closed loop’ operation.” This combination of functions by the accumulator agency refers to the preceding sentence of the textual description of Exhibit 2: “the accumulator/router function permits the receipt and routing of electronic payment transactions from employers . . . [via] Formatted 521 Records.” In order for the accumulator agency depicted in Exhibit 2 to “route” electronic payments (e.g., to process payment information) in this “closed loop operation,” the payments must be sent to a bank. One of ordinary skill in the art would readily understand this.

Id. at ¶ 18. Apparently, from this paragraph, the Patent Office did not understand, but these “electronic payment transactions” are sent to a bank for the state. Again, a proper reading of *both* Exhibit 1 and Exhibit 2 together clearly demonstrates this fact, because

both exhibits show that a purpose of the invention is not only the many-to-one concept (i.e., many states to one employer) but also the one-to-many concept (i.e., many employers to one state). Therefore, to accomplish the one-to-many concept, the payment information is processed by the accumulator/router function (i.e., the accumulator agency) via a bank to the states. As specifically recited on Exhibit 2, this functionality is accomplished with Formatted 521 records, whereas a Formatted 521 record is part of the "electronic payment transaction" that is accomplished via a bank.

24. To further illustrate, Exhibit 1 depicts and describes employers that "remit child support payments in one form to all states." See Exhibit 1. Exhibit 2 similarly depicts and describes "electronic payment transactions" routed by the accumulator/router function (i.e., the accumulator agency) to create a closed loop operation, and Exhibit 2 specifies use of Formatted 521 records. In order for the function shown in Exhibit 2 to be a closed loop operation, it must also remit the payments to all states (i.e., "electronic payment transactions"). Accordingly, because Formatted 521 records are used to process the payments, Exhibit 2 simply refers to routing "electronic payment transactions" with Formatted 521 records. By doing so, the accumulator/router function also utilizes these Formatted 521 records to send the disbursement information with the payments via a bank to the states.

25. To further explain, I stated the following in my previous declaration:

As shown in Exhibit 2, the solution offered by the accumulator agency was to separate the wage assignment orders into two parts, the record (e.g., "the disbursement information" of claims 1-70) and the electronic payment (e.g., the "payment" of claims 1-70). As described in more detail above, the accumulator agency then "routes . . . electronic payment transactions" (i.e., processes payments to a bank). In this closed loop operation, the accumulator also processes the disbursement information with the state designated in the wage assignment order.

J. Polk July 6, 2005 Declaration, § 15.² Thus, as shown in Exhibit 2, Formatted 521 records are used so that the “electronic payment transaction” includes both the payment and the disbursement information. Thus, when processed to a bank for a state by the accumulator agency, the payment allows the transfer of funds, and the disbursement information provides the data on the funds transfer to the state.

26. The Draft Technical Report of the ASC X12G illustrates this type of use of Formatted 521 records. For example, on page 33 of the Draft Technical Report of the ASC X12G, Example #4 of a Formatted 521 record (or 521 transaction set) is described. This example shows “a response with payment.” Thus, in addition to the transfer of funds that results from the “payment,” there is also a “response” that includes all of the “EDI DATA” information, such as, for example, “N1~04~MOMS DINER~49~31234567\” or “Sent from Mom’s Diner; Employer’s ID is 31234567” and “N3~111 ANY STREET\” or “Employer’s address” as well as other information. See Exhibit 69, p. 33. This “EDI DATA” contains the disbursement information that accompanies the payment. And, this EDI DATA moves with the payment via a bank to a recipient, e.g., to the state.

27. For the reasons stated above, therefore, I disagree with the Patent Office that “there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state,” and I further disagree with the Patent Office that “[Exhibit 2] appears to teach that information only flows from the state to the accumulator agency, and not vice-versa.” As noted above, a proper reading of *both* Exhibit 1 and Exhibit 2 together clearly shows that the accumulator agency transmits the disbursement to the state, because that is part of the solution of Exhibit 2 to the problem defined in Exhibit 1 (and it is undisputed that Exhibit 1 shows remitting child support payments to many states). Furthermore, because Exhibit 2 refers to a closed loop operation and the use of the Formatted 521 records for routing “electronic payment transactions,” Exhibit 2

² As stated above, I recognize that the patent claims are in fact claims 1-48. The minor errors in my Declaration do not change the substance of any of the statements that I made.

does indeed teach that information flows from the accumulator agency to the state, specifically disbursement information about a payment from an employer.

Question 3

28. As for the first question on diligence (or question 3), I understand that the Patent Office has contended "there is no statement regarding time periods from June 27 when Mr. Lavenue left a message to discuss the invention with Mr. Polk and July 1 when Mr. Polk began travel for other work obligations." I disagree with this contention, because my declaration specifically described the time period from June 27 to July 1.

29. The Patent Office correctly states that Mr. Lavenue left a message for me on Friday, June 27, 1997. See Exhibit 39. However, the Patent Office suggests that there was an unaccounted period from June 27 to July 1, but that is incorrect. As an initial matter, it should be noted that June 28-29 was a weekend. The following business day, or June 30, 1997, I made a notation of Mr. Lavenue's call in my day-timer, and I recorded "review patent information" in my action list, where it is listed as task 12. See Exhibit 43. From the notations in my day-timer, it appears that Mr. Lavenue called me and asked me to review certain patent information. Subsequently, as can be seen from my day-timer page for June 30, 1997, I had thirteen items on my action list at that time, and I completed five tasks that had come to me prior to the task of reviewing the patent information (i.e., see tasks 1, 4, 6, 7, and 9, which were completed on June 30, 1997). Id. Moreover, my day-timer demonstrates that I was working on reviewing the patent information from Mr. Lavenue on June 30, at least because I recorded the item as an action item in my day-timer. This demonstrates, therefore, that I was actively working on the matter on June 30. However, I did not complete the task of reviewing the patent information (i.e., task 12) on June 30, and I carried it forward to the next day, July 1, 1997, where it is listed as task 8. See Exhibit 44. As shown in my day-timer, I was only in my office for half a day on July 1, before an afternoon flight to Phoenix for other business, as noted on my appointment calendar. Id. As can be seen from my day-timer page for July 1, 1997, I had ten items on my action list at that time including 7 items (i.e., tasks 1-7) that had come to me prior to the task of reviewing the patent information. Before leaving for my afternoon flight, I

completed six phone calls that had come in before Mr. Lavenue's call, as shown on my day-timer page (i.e., items 1-6 on the phone calls list). Id. Moreover, my day-timer demonstrates that I was working on reviewing the patent information from Mr. Lavenue on July 1, at least because I recorded the item as an action item in my day-timer. This demonstrates, therefore, that I was actively working on the matter on July 1.

30. Thus, there is diligence from June 27, 1997 through July 1, 1997.

Question 4

31. As for the second question on diligence (or question 4), I understand that the Patent Office has contended that "there is inactivity after Mr. Polk returned from travel and after the July 4 holiday weekend: Mr. Polk recorded on July 8 to return the call from June 27 as a 'to-be-done-today' task, however the call was not returned until July 14, with unexplained inactivity between." I disagree with this contention, because my declaration specifically described the time period from July 8 to July 14.

32. The Patent Office correctly states that, on July 8, I recorded review "patent information" in my action list, where it is listed as task 10 in my day-timer. See Exhibit 48. Indeed, as can be seen from my list of action items on my day-timer page for July 8, 1997, I had twenty-one items on my action list at that time, and I completed one task that had come to me prior to the task of reviewing the patent information (i.e., see task 5, which was completed on June 8, 1997) and I completed one other task that same day (i.e., see task 14, which was also completed on July 8, 1997). Id. Moreover, my day-timer demonstrates that I was working on reviewing the patent information from Mr. Lavenue on July 8, at least because I recorded the item as an action item in my day-timer. This demonstrates, therefore, that I was actively working on the matter on July 8.

33. Significantly, on July 8, 1997, I also recognize that I specifically worked on the invention (and thus on issues relating to developing information for the patent application). As shown on my day-timer for July 8, I had a meeting with Ann Bullen, a colleague who was working with me on developing the Formatted 521 record set, which was used by the accumulator/routing functions of my accumulator agency, which was later specifically described in my patent application. See Exhibits 47-48. Having reviewed these notations, I can also surmise that I had likely withheld providing final

comments on the patent information from Mr. Lavenue, until I had this meeting. Thus, this also demonstrates that I was actively working on the matter on July 8.

34. Following these invention activities on July 8, as shown in my day-timer, I was then on vacation from July 9-11, 1997, and July 12-13, 1997 was a weekend. As shown on my day-timer, on July 9, 1997, I picked up my mother at the airport when she arrived for a visit (on American Airlines, Flight No. 243), and I then took a vacation while my mother visited on July 9, 10, and 11. See Exhibit 47. During that 3-day vacation, which I distinctly remember, I took my mother to visit Gettysburg. *Id.* (Although my day-timer appears to state "Gaithersburg," we visited "Gettysburg.")

35. On the next business day, July 14, 1997, I complete my task of reviewing the patent information, as evidenced by the crossed through item 9 on my to-be-done-today list. See Exhibit 49. Furthermore, I returned Mr. Lavenue's telephone call on the same day, as shown by the crossed through listing on my phone calls list. *Id.*

36. I had twenty-two items on my action list at that time, and I completed all but one (i.e., see tasks 1-9 and 10-22, which were completed on July 14, 1997). *Id.* Among those tasks that I completed on July 14, 1997, I prepared a summary of the meeting with Ann Bullen regarding the Formatted 521 record set (see "write up EDI meeting" under task 19), and I also completed the review of the patent information (see "invention" under task 9). Having reviewed these notations, I can also surmise that I completed task 19 and task 9 together, following the technical meeting on July 8, 1997. Moreover, on July 14, 1997, I also returned the phone call from Mr. Lavenue (see the check beside Mr. Lavenue's name under "Phone Calls" in my day-timer). I surmise that I called Mr. Lavenue to provide him with the information I had completed on that day. Accordingly, my day-timer demonstrates that I was working on reviewing the patent information on July 14, because I recorded the item as an action item and because I completed certain tasks related to the invention and called Mr. Lavenue. All of this demonstrates, therefore, that I was actively working on the matter on July 14.

37. Thus, there is diligence from July 8, 1997 through July 14, 1997.

Question 5

38. As for the third question on diligence (or question 5), I understand that the Patent Office has contended that "there is lack of affirmative acts or acceptable excuses between July 21 and August 5." I disagree with this contention, because my declaration specifically described the time period from July 21 to August 5, and there are sufficient "affirmative acts or acceptable excuses" to demonstrate diligence in that period. Furthermore, I have provided additional evidence to support diligence during this period.

39. As can be seen from my day-timer, I was on business travel from July 21 until July 25, 1997. See Exhibit 47. During that time, I was working in Milwaukee attending meetings and preparing business proposals for child support payment processing for the state of Wisconsin. Furthermore, July 26-27, 1997 was a weekend.

40. In addition, although I was on business travel from July 21-25, 1997, I was nonetheless also working on the invention and patent application during that week. Specifically, on July 21, 1997, I worked on tasks to review the invention (see "invention" under task 5), to prepare an EDI write-up (see "EDI write-up" under task 7), and to prepare an EFT/EDI write-up (see "EFT/EDI write-up" under task 12). See Exhibit 53. Work on the invention, the EDI write-up, and the EFT/EDI write-up were related. Because these tasks were not yet completed, I carried all of them forward to July 22 (see Exhibit 54), July 23 (see Exhibit 55), and July 24 (see Exhibit 56). Although I worked diligently on my tasks related to the invention, I also had a number of conference calls and meetings during my week working in Milwaukee. See Exhibits 54 and 56. On Friday, July 25, I completed my travel from Milwaukee. See Exhibit 47. Significantly, although I was on travel during July 14-25, my day-timers clearly demonstrate that I was working on reviewing the invention information at least on July 21-24, at least because I recorded the item as an action items in my day-timer. This demonstrates that I was actively working on the invention on July 21-24, and my travel on July 25 and weekend of July 26-27 are affirmative acts or acceptable excuses.

41. Following my activities during the period of July 21-27, 1997, I continued to work on tasks related to the invention on the next business day, or July 28, 1997. Specifically, on July 28, 1997, I worked on tasks to review the invention (see "invention" under task 5), to prepare an EDI write-up (see "EDI write-up" under task 6), and to

prepare an EFT/EDI write-up (see "EFT/EDI write-up for Holli" under task 13). See Exhibit 57. Work on the invention, the EDI write-up, and the EFT/EDI write-up were related. Also on July 28, I worked on a presentation for a meeting at the DFAS Garnishment Center in Crystal City, Virginia (see item 4). On July 29, I attended the day-long DFAS meeting and gave my presentation (see Exhibit 70). After the day-long meeting on July 29, and because the invention tasks were not yet completed, I carried all of them forward to July 30 (see Exhibit 58) and August 1 (see Exhibit 59). On July 31, I attended an all-day meeting in Washington, D.C. with Lockheed Martin Federal Systems. Despite my other work commitments over this week, including an all-day and out-of-the-office meetings on July 29 and July 31, I continued to work on my invention-related tasks during this time, and as I worked on these tasks, the invention action item moved up my action list from item 5 on July 28, 1997 (see Exhibit 57) to item 4 on July 30, 1997 (see Exhibit 58) to item 3 on August 1, 1997 (see Exhibit 59). I also continued working on the related EFT/EDI write-up over these dates. See Exhibits 57-59. Therefore, my day-timers for July 28, July 30, and August 1, 1997 demonstrate that I was working on reviewing the invention and patent information on those dates, at least because I recorded the item as action items in my day-timers. Furthermore, August 2-3, 1997 was a weekend. Therefore, this demonstrates that I was actively working on the invention on July 28 to August 1, and the weekend of August 2-3 is an affirmative act or acceptable excuse.

42. Following my activities during the period of July 28 to August 3, 1997, I continued to work on tasks related to the invention on the next business day, or August 4, 1997. Specifically, on Monday, August 4, I worked on tasks to review the invention (see "invention-patent" under task 2) and to prepare an EFT/EDI write-up (see "EFT/EDI write-up" under task 3). See Exhibit 60. Work on the invention and on the EFT/EDI write-up were related. Therefore, my day-timer for August 4, 1997 clearly demonstrates that I was working on reviewing the invention and patent information on August 4, 1997, at least because I recorded the item as an action item in my day-timer. This demonstrates that I was actively working on the invention on August 4, 1997. The next

day, August 5, 1997, I began four days of travel to four different cities. See Exhibit 64. And, this travel on August 5, 1997 constitutes an affirmative act or acceptable excuse.

43. Thus, there is diligence from July 21, 1997 to August 5, 1997.

Question 6

44. As for the fourth question on diligence (or question 6), I understand that the Patent Office has contended that "there is a lack of affirmative acts or acceptable excuses [from] August 9, after Mr. Polk was in New York, through August 13 when Mr. Polk again addressed the invention." I disagree with this contention, because my declaration specifically described the time period from August 9-13 and there are "affirmative acts or acceptable excuses" to demonstrate diligence in that period. Furthermore, I have provided additional evidence to support diligence during this period.

45. As can be seen from my day-timer, I was on business travel on Friday, August 8, 1997. See Exhibit 64. On August 8, 1997, I attended a business meeting in Terrytown, New York during a four-day business trip working in four different cities, following a meeting in Albany, New York on August 7, 1997, a meeting in Hartford, Connecticut, on August 6, 1997, and a meeting in Minnesota on August 5, 1997. Following my meetings on August 6-8, 1997, August 9-10, 1997 was a weekend.

46. Following this period from August 5-10, 1997, I continued to work on tasks related to the invention on the next business day, or August 11, 1997. Specifically, on August 11, 1997, I worked on tasks to review the invention (see "invention" under task 6) and to prepare an EFT/EDI write-up (see "EFT/EDI write-up" under task 7). See Exhibit 61. Work on the invention and on the EFT/EDI write-up were related. Thus, my day-timer for August 11 clearly demonstrates that I was working on reviewing the invention information, at least because I recorded the item as an action item in my day-timer. This demonstrates that I was actively working on the invention at this time.

47. On August 12, 1997, I also worked on the invention. See Exhibit 72. In particular, I spoke with Terry Garber, a colleague, regarding the formatted 521 record set, which was used by the accumulator/routing functions of my accumulator agency, which was later specifically claimed and described in my patent application. For example, during my work on the invention on August 12, 1997, I specifically noted in my

day-timer that "521 can also be used for remittance." Id. Further, I continued working on the invention and the EFT/EDI write-up on August 13, 1997, when I completed reviewing the invention papers and crossed through the item on my action list. See Exhibit 62. Thus, my day-timer for August 13, 1997 clearly demonstrates that I was working on reviewing the invention and patent information on August 13, 1997 at least because I recorded the item as an action item in my day-timer and crossed through it when completed. Accordingly, with my day-timers, I have shown either affirmative acts or acceptable excuses to demonstrate diligence for the entire time period from August 9, 1997 through August 13, 1997.


48. Thus, there is diligence from August 9, 1997 to August 13, 1997.

Conclusion

49. In summary, based on my July 6, 2005 Declaration and the additional information contained in this supplemental declaration, I believe that I have amply demonstrated a conception of the claimed invention coupled with due diligence from a time just prior to the filing date of the '150 patent to the time of a constructive reduction to practice, namely, the filing of this patent application on September 30, 1997.

50. I declare further that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further, that the statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patents issuing thereon.

Dated: September 20, 2005

By: 



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/006,728	07/29/2003	5946669	3250.010001	3043

7590 03/23/2006
Finnegan Henderson Farabow
Garrett & Dunner LLP
1300 I Street NW
Washington, DC 20005

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Finnegan, Henderson, Farabow,
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EXAMINER

ART UNIT PAPER NUMBER

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Curtis B. Herbert, Ph.D., Esq.
Patterson, Thunte, Skaar & Christensen, P.A.
80 South 8th Street, Suite 4800, Minneapolis, MN 55402

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. 90/006,728.

PATENT NO. 5946669.

ART UNIT 3624.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

Office Action in Ex Parte ReexaminationControl No.
90/006,728Patent Under Reexamination
5946669Examiner
Stefano KarmisArt Unit
3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

- a ☒ Responsive to the communication(s) filed on 29 September 2005. b ☐ This action is made FINAL.
c ☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire 2 month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☐ Notice of References Cited by Examiner, PTO-892. 3. ☒ Interview Summary, PTO-474.
2. ☐ Information Disclosure Statement, PTO-1449. 4. ☐ _____.

Part II SUMMARY OF ACTION

- 1a. ☒ Claims 1-48 are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☐ Claims _____ have been canceled in the present reexamination proceeding.
3. ☒ Claims 1-17 are patentable and/or confirmed.
4. ☒ Claims 19-48 are rejected.
5. ☐ Claims _____ are objected to.
6. ☐ The drawings, filed on _____ are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a) ☐ approved (7b) ☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of the certified copies have
1 ☐ been received.
2 ☐ not been received.
3 ☐ been filed in Application No. _____.
4 ☐ been filed in reexamination Control No. _____.
5 ☐ been received by the International Bureau in PCT application No. _____.
* See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

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DETAILED ACTION

1. The following communication is in response to Patent owner's amendment, filed 29 September 2005.

Status of Claims

2. Claims 1, 8, 10, 17, 19, 21, 32, 33, 34, 36, 47 and 48 were previously amended 11 July 2005. Claims 1-48 are pending.

Response to Amendment

3. Patent Owner's request for reconsideration of the finality of the rejection of the last Office action is persuasive and, therefore, the finality of that action is withdrawn. Patent Owner filed an amendment, 11 July 2005 in response to a non-final rejection. Examiner mailed a final rejection, 01 August 2005 to which Patent Owner filed a timely response 29 September 2005. The final rejection failed to set forth an issue from the 11 July 2005 amendment. This issue raised by the Patent and Trademark Office is being presented in the current office action and is considered a new issue. Consequently, the finality of the previous office action is withdrawn.

Claim Rejections - 35 USC § 305

4. Claim 19 and 34 are rejected under 35 U.S.C. 305 as enlarging the scope of the claim(s) of the patent being reexamined. In 35 U.S.C. 305, it is stated that "[n]o proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination

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proceeding... ." A claim presented in a reexamination "enlarges the scope" of the patent claim(s) where the claim is broader than any claim of the patent. A claim is broader in scope than the original claims if it contains within its scope any conceivable product or process which would not have infringed the original patent. A claim is broadened if it is broader in any one respect, even though it may be narrower in other respects.

The amendment filed 11 July 2005 proposes amendments to claims 19 and 34 that do not comply with 37 CFR 1.530(d)-(j), which sets forth the manner of making amendments in reexamination proceedings. Specifically, claims 19 and claims 34 fail to comply with 37 CFR 1.530(j) because no amendment may enlarge the scope of the claims of the patent or introduce new matter. Regarding claims 19 and 34, the amendment filed 11 July 2005 broadens the scope of the claims because it no longer withholds by an employer a portion of an employee's salary for the payment. Claims 20-33 and 35-48 are dependent upon claims 19 or 34 and are therefore rejected based upon their dependency. Claims 1-18 are patentable and/or confirmed.

Conclusion

5. Extensions of time under 37 CFR 1.136(a) will not be permitted in these proceedings because the provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. 305 requires that reexamination proceedings "will be conducted with special dispatch" (37 CFR 1.550(a)). Extension of time in *ex parte* reexamination proceedings are provided for in 37 CFR 1.550(c).

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6. The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,946,669 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly appraise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

7. In order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such documents must be submitted in response to this Office action. Submissions after the next Office action, which is intended to be a final action, will be governed by the requirements of 37 CFR 1.116, after final rejection and 37 CFR 41.33 after appeal, which will be strictly enforced.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Respectfully Submitted
Stefano Karmis
Art Unit 3624
14 March 2006



Conferee
Vincent Millin
Supervisory Examiner
Art Unit 3624



VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3603

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